

MEDIA RELEASE

**Attention: News Director
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**U.S. DEPARTMENT OF JUSTICE
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**LOUISVILLE MAN SENTENCED TO 6 YEARS AND 6 MONTHS IMPRISONMENT
FOR DEFRAUDING 93 YEAR OLD VICTIM**

David L. Huber, United States Attorney for the Western District of Kentucky, announced today that **RALPH RAY BROUSSARD**, 55 years of age, of Louisville, Kentucky , **was sentenced** in United States District Court, Louisville, Kentucky, for 5 counts of mail fraud.

Charles R. Simpson III, Judge, United States District Court, sentenced **Broussard** to 6 years and 6 months imprisonment, plus 3 years supervised release following incarceration. Restitution in the amount of \$1,311,345.69 was also imposed. **There is no parole in the federal judicial system.**

Broussard entered guilty pleas to all five counts of mail fraud in the Indictment and agreed to the forfeiture and return to the elderly victim of his fraudulent scheme of approximately \$318,000 in funds seized by the United States, through court authorized warrants, from bank accounts Broussard used in carrying out his criminal scheme.

Between April 2005 and November 2005, **Broussard** perpetrated a fraudulent "ponzi" scheme on a 93-year old person by inducing this individual to transfer \$604,000 from investment accounts in which her funds were held into accounts Broussard maintained in the names of two companies he operated, Fidelity Group, LLC and Homeowner Options, Inc. by promising returns

of 6% to 12% on the monies after five years. A fraudulent "ponzi" scheme occurs when investors are induced to invest in a venture by the promises of high rates of returns; however, instead of using investors' monies in a legitimate business, a "ponzi" scheme perpetrator uses investors' monies to pay "dividends" and "profits" to previous investors in the same scheme, creating and reinforcing the false impression that the investment program is making a profit. Such schemes are inherently fraudulent because they will inevitably collapse when the source of new investment monies is exhausted.

Instead of investing the victim's monies in a legitimate business venture from which earnings and profits could have been realized, and from which the victim could have received the promised returns on her investments, **Broussard** expended the victims' monies in a manner consistent with a "ponzi" scheme by using the victims' investment monies to pay "dividends" and returns to previous investors with **Broussard** and by siphoning off significant sums of monies for his personal benefit and gain and for the benefit and gain of members of Broussard's family.

In setting Broussard's sentence Judge Simpson, under the relevant conduct provisions of the United States Sentencing Guidelines, took into consideration over \$1 million in losses suffered by numerous other victims of the defendant's fraudulent "ponzi" scheme, over and above the \$604,000 lost by the victim referenced in the Indictment.

The case was prosecuted by Assistant United States Attorney Jim Lesousky, and it was investigated by the Office of the Kentucky Attorney General, Consumer Protection Division, the Louisville Metro Police Department, Crimes against Seniors Department, and the Federal Bureau of Investigation.

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